
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
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MEMORANDUM

DATE: June 2006

TO: Political Subdivisions
County Auditors, Assessors, and Treasurers
Township and Trustee Assessors

FROM: Department of Local Government Finance

SUBJECT: New Property Tax Laws from the 2006 Session of the General Assembly

The following is a brief summary of the property tax provisions that were passed in the 2006 Legislative Session of the General Assembly. For ease of reference, statutory cites are included in the summary points listed below. To review these Acts in their entirety, go to the following website: www.in.gov/apps/lga/session/billwatch/billinfo.

Senate Enrolled Acts (SEA)

SEA 71 (P.L. 52-2006)

- Added IC 8-1.5-5-32 that allows excluded cities and towns in a county containing a consolidated city (Marion County) to withdraw from a storm water special taxing district created by the consolidated district. [Effective upon passage (3/15/06)]
- Amended IC 36-9-27-86 requiring the county auditor to deliver to the county treasurer final costs for construction or reconstruction of a drain within thirty days of certification to the auditor. Requires the treasurer to mail a ditch tax statement within 15 days of receipt of the duplicate from the auditor or add a statement to the first property tax installment. Specifies that state and political subdivision owned property is not exempt from ditch assessments. Requires the treasurer to send a list of delinquencies for ditch assessments on state owned property to the state land office. [Effective 1/1/06]
- Adds a non-code provision specifying that the state is not entitled to a refund of an assessment paid by the state on a notice mailed before 1/1/06. [Effective 1/1/06]

SEA 148 (P.L. 147-2006)

- Amended IC 6-3.5-1.1-2.8, IC 6-3.5-1.1-10, and IC 6-3.5-1.1-11 to allow Marshall and Elkhart Counties to use CAGIT revenue to operate and maintain criminal justice facilities. [Effective upon passage (3/24/06)]

SEA 260 (P.L. 154-2006)

- Amended IC 6-1.1-4-12 to clarify when a real property parcel owned by a developer and held for sale in the ordinary course of business may be reassessed. [Effective 1/1/06] A non-code provision specifies that this section applies only to assessment dates after 12/31/05.
- Amended and corrected IC 6-1.1-4-28.5 to specify the monies in the property tax reassessment fund may not be transferred or reassigned to any other fund and may not be used for any purpose other than those listed in this section. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-5.5-5 to require the instructions for completing a sales disclosure form must list property tax benefits available to the purchaser. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-5.5-6 to state the county auditor may not accept a conveyance document unless it is accompanied by a sales disclosure containing all information required by section 5(a) of this chapter. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-8-28, 29, and 30 to change the appeal procedure on state distributable property assessments for public utilities. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-8.5-8 to prohibit local assessing officials from assessing qualifying industrial property in Lake County [Effective upon passage (3/24/06)]
- Added IC 6-1.1-9-10 to require an assessing official to adjust a personal property assessment and process a refund when over-reporting is found on a return during an audit. Changes cannot be made to reward unclaimed exemptions. [Effective 1/1/06]
- Amended IC 6-1.1-11-13 by adding a subsection (g) that allows the application for an exemption on personal property to be filed on or with the return not more than thirty (30) days after the filing date for the return, regardless of whether an extension of the filing date has been granted. [Effective 1/1/06]
- Amended IC 6-1.1-12-2 and 4 to change the filing date for the mortgage deduction from May 10 to June 10. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12-10.1 to change the filing date for the over sixty-five (65) deduction from May 10 to June 10. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12-12 to change the filing date for the blind and disabled deduction from May 10 to June 10. [Effective 7/1/06]
- Amended IC 6-1.1-12-15 to change the filing date for the disabled veteran deduction from May 10 to June 10. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12-17 to change the filing date for the surviving spouse of a veteran deduction from May 10 to June 10. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12-17.5 to change the filing date for the veteran of World War I deduction from May 10 to June 10. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12-17.8 to change “his” to “individual” when referencing notification to the auditor of ineligibility for a deduction under chapter 12. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12-20 to change the filing date for the rehabilitated residential property deduction from May 10 to June 10. [Effective 1/1/06]

- Amended IC 6-1.1-12-24 to change the filing date for the rehabilitated property deduction from May 10 to June 10. [Effective 1/1/06]
- Amended IC 6-1.1-12-30 to change the filing date for the wind power device deduction from May 10 to June 10. [Effective 1/1/06]
- Amended IC 6-1.1-12-35.5 to change the filing date for the coal conversion system, hydroelectric power device, geothermal heating and cooling device, or coal combustion products deductions from May 10 to June 10. [Effective 1/1/06]
- Amended IC 6-1.1-12-38 to change the filing date for the fertilizer storage improvement deduction from May 10 to June 10. [Effective 1/1/06]
- Amended IC 6-1.1-12.1-1 to require that for any type of personal property to be eligible for an ERA abatement, it must be acquired in an arm's length transaction from an entity not related to the applicant. Also requires that to be eligible, the property must never have been used for any purpose in Indiana before its installation. [Effective 1/1/06]
- Added language that requires for any building to be eligible for an ERA abatement under a new section 4.8, it must be zoned for commercial or industrial use and be unoccupied for a period of at least one (1) year before the applicant occupies it. [Effective 1/1/06]
- Amended IC 6-1.1-12.1-2 adds a fourth standard and related wording which a designating body may establish in considering findings for an area to be considered an ERA. [Effective upon passage (3/24/06)]
- Amends IC 6-1.1-12.1-2.5 to add language regarding new section 4.8. Also changes "his" to "the person" when referring to a person filing a remonstrance against an ERA designation. [Effective upon passage (3/24/06)]
- Amends IC 6-1.1-12.1-4.5 to add a new section (i) that establishes a formula for determining the assessed value of depreciable personal property eligible for an ERA abatement when the 30% floor is triggered. [Effective 1/1/06]
- Added IC 6-1.1-12.1-4.8 creating an ERA real property abatement for vacant commercial and industrial buildings. [Effective upon passage (3/24/06)]
- Added IC 6-1.1-12.1-5.3 outlining processing of the deduction application for an ERA abatement under new section 4.8. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12.1-5.9 to add reference to new section 4.8. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12.1-8 to require the county auditor to publish the total amount of ERA abatements granted on vacant buildings pursuant to new section 4.8. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12.1-9 to add reference to new section 4.8. [Effective upon passage (3/24/06)]
- Added IC 6-1.1-12.1-9.5 to define a "clerical error" on an ERA abatement as a mathematical error or omitted signatures. Allows the designating body, by resolution, to waive non-compliance with the following requirements with respect to an ERA abatement:
 - Filing deadline of an application, statement of benefits or other document
 - Clerical error in an application, statement of benefits or other document
 [Effective 1/1/06]

- Amended IC 6-1.1-12.1-11.3 to add occupation of an eligible vacant building prior to certain actions required for an ERA abatement as a reason for denial of the abatement. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12.1-12 to add reference to new section 4.8. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12.1-14 to add reference to new section 4.8. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-12.4-3 to clarify that personal property located at a facility listed in IC 6-1.1-12.1-3(e) is not eligible for the investment deduction. [Effective 1/1/06]
- Amended IC 6-1.1-14-5 to clarify that the DLGF may not issue an equalization order more than twelve (12) months after the county auditor certifies the certificate of net assessed value. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-15-4 to clarify wording regarding local taxing units' position in an appeal before the IBTR. Also requires the county auditor, in lieu of the IBTR, to notify affected taxing units of a decision of the IBTR. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-15-15 to exclude the DLGF from a class action suit in certain instances. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-17-0.5 to allow the county auditor to reduce a taxing unit's certified net assessed value for pending appeals. Sets a maximum amount that can be withheld. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-17-1 to allow the county auditor to file an amended certificate of net assessed value with DLGF under certain circumstances. [Effective upon passage (3/24/06)]
- Added IC 6-1.1-17-8.5 to require the DLGF to review the budget, tax rate, and tax levy for any taxing unit for which the county auditor has filed an amended certificate of net assessed value. Allows the county auditor to appeal to the DLGF to withhold an amount of assessed value greater than that allowed by IC 6-1.1-17-0.5 from the certificate of net assessed value. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-17-16 to amend statutory cites giving the DLGF the authority to change a budget, tax rate, or tax levy. Also clarifies the reasons a taxpayer may appeal a budget, tax rate, or tax levy decision made by the DLGF. [Effective 7/1/06]
- Amended IC 6-1.1-18-12 to add additional statutory cites for maximum rate cap adjustments for emergency medical services for counties and capital project funds for school corporations. [Effective 7/1/06]
- Amended IC 6-1.1-18.5-1 to restore the ability for taxing units to retain unused levy capacity for use in subsequent years. Begins with the pay 2006 levies. Limits recapture of unused levy capacity to no more than fifty (50%) of the "banked" amount in any one year. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-18.5-13 to lower the threshold (to 1.02) for the local government tax control board to grant permission for civil taxing unit to increase its levy in excess of the limitations established by this chapter. [Effective upon passage (3/24/06)]

- Amended IC 6-1.1-18.5-17 to specify that “levy excess” for a civil taxing unit does not include delinquent property taxes collected in the current year that were assessed for a previous assessment date. [Effective 1/1/06]
- Amended IC 6-1.1-19-1.7 to specify that “levy excess” for a school corporation does not include delinquent property taxes collected in the current year that were assessed for a previous assessment date. [Effective 1/1/06]
- Amended IC 6-1.1-20.9-3 to change the filing date for the homestead credit from May 10 to June 10. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-30-6 to change the attestation of a record of proceedings of the DLGF to be completed by a designee of the commissioner instead of a deputy commissioner. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-31-6 to eliminate the requirement that the DLGF include cost and depreciation tables in the real property rule promulgated for a general reassessment. [Effective upon passage (3/24/06)]
- Added IC 6-1.1-36-1.5 to specify when a form is considered file by a due date under IC 6-1.1 or IC 6-1.5 (a “mailbox rule”). [Effective 7/1/06]
- Amended IC 6-1.1-36-12 to eliminate the payment of a contractor’s fee for personal property auditing services from the gross amount of personal property taxes collected on undervalued or omitted personal property. Adds a provision authorizing the county auditor to create a special non-reverting fund for the purpose of paying the contract fees without an appropriation. Money remaining in the fund at the expiration of the contract after the contractor has been paid shall be distributed to the taxing units based on the rates then in effect. [Effective 1/1/06]
- Amended IC 6-1.1-37-10 to add additional language specifying when a tax payment is considered paid by a due date (a “mailbox rule”). [Effective 7/1/06]
- Amended IC 6-1.1-39-5 to require the DLGF to neutralize the base assessed value in an economic development district after each annual adjustment. [Effective 1/1/06]
- Added IC 6-1.1-40-1.5 to define an “affiliate” for the purposes of a deduction for personal property in a maritime opportunity district. [Effective 1/1/06]
- Amended IC 6-1.1-40-4 to require that for any type of personal property to be eligible for a maritime opportunity district deduction, it must be acquired in an arm’s length transaction from an entity not an affiliate to the applicant. Also requires that to be eligible, the property must never have been used for any purpose in Indiana before its installation. [Effective 1/1/06]
- Amended IC 6-1.1-40-10 to add a new section (e) that establishes a formula for determining the assessed value of depreciable personal property eligible for a maritime opportunity deduction when the 30% floor is triggered. [Effective 7/1/06]
- Amended IC 6-1.1-45-9 to add a new section (c) that requires the military base reuse authority board to approve a deduction for a qualified investment made in an enterprise zone that is under the jurisdiction of a military base reuse authority board. [Effective 7/1/06]
- Added IC 6-1.5-4-2 to give the IBTR and its administrative law judges the authority to:

- Subpoena and examine witnesses;
- Administer oaths; and
- Subpoena and examine books or papers that are in the hands of any person. [Effective upon passage (3/24/06)]
- Amended IC 6-1.5-5-2 to clarify wording regarding local taxing units' position in an appeal before the IBTR. [Effective upon passage (3/24/06)]
- Amended IC 6-1.5-5-5 to require the county auditor, in lieu of the IBTR, to notify taxing units of a decision of the IBTR. [Effective upon passage (3/24/06)]
- Amended IC 6-1.5-5-6 to state that the failure of the IBTR to hold a hearing within the time frame required by this section does not constitute a final decision of the IBTR. Also outlines the appeal alternatives when the IBTR fails to hold a timely hearing. [Effective 7/1/06]
- Amended IC 8-1.5-5-32 to change the word "district" to "municipality". [Effective upon passage (3/24/06)]
- Amended IC 8-22-3.5-11 to require the DLGF to neutralize the base assessed value in an airport development zone after each annual adjustment. [Effective 1/1/06]
- Added IC 16-22-14 to create a levy for emergency medical services for county hospitals. [Effective 7/1/06]
- Amended IC 20-44-3-2 to specify that "levy excess" for a school corporation does not include delinquent property taxes collected in the current year that were assessed for a previous assessment date. [Effective 7/1/06]
- Amended IC 20-46-6-5 to require DLGF to adjust the maximum rate for a school corporation's capital project fund for the effects of a general reassessment. [Effective 7/1/06]
- Amended IC 33-26-7-1 to allow a local assessing official or county auditor to be represented, subject to approval of the attorney general, in judicial proceedings by an attorney selected and paid by the official, township, or county. [Effective 7/1/06]
- Amended IC 36-7-14-35 to add housing programs, in addition to redevelopment projects and urban renewal projects, as a reason for a redevelopment commission to apply for financial assistance from the federal government. [Effective 7/1/06]
- Amended IC 36-7-14-39, IC 36-7-15.1-26, IC 36-7-15.1-53, IC 36-7-30-25, IC 36-7-30.5-30, IC 36-7-32-19 all to require the DLGF to neutralize the base assessed value in a TIF district after each annual adjustment. [All effective 1/1/06]
- Added IC 36-7-14-45 to allow a redevelopment commission to establish a housing program allocation area by resolution. [Effective 7/1/06]
- Added IC 36-7-14-46 to specify the rights and powers granted a redevelopment commission in implementing a program for housing. [Effective 7/1/06]
- Added IC 36-7-14-47 which lists the findings a redevelopment commission must make in the resolution adopting a housing program. [Effective 7/1/06]
- Added IC 36-7-14-48 which defines base assessed value, creates an allocation fund, lists the purposes for which funds may be expended, outlines a credit for property tax replacement, and provides for grants in an allocation area covered by a program for housing. [Effective 7/1/06]

- Contains a non-code provision that grants an ERA personal property abatement to a grey iron foundry located in Grant County (Atlas Foundry) for assessment years beginning in 2001. [Effective upon passage (3/24/06)]
- Contains a non-code provision granting a property tax exemption to a fraternity at Butler University for assessment years 2000 through 2003. [Effective upon passage (3/24/06)]
- Contains a non-code provision granting retroactive validation of a property tax exemption to Zionsville Youth Soccer for assessment years 1999 through 2003. [Effective upon passage (3/24/06)]
- Contains a non-code provision clarifying that the expansion of eligibility for personal property ERA abatement for equipment used in Indiana by a person other than the deduction applicant before it was installed in the ERA applies only to equipment installed and initially used after 12/31/05. [Effective 1/1/06]
- Contains a non-code provision allowing special fire districts with rapid assessed value growth to seek a maximum levy increase from DLGF. [Effective upon passage (3/24/06)]
- Contains a non-code provision granting retroactive validation of a sales tax exemption for Hartford City Little League for 2002 through 2005. [Effective upon passage (3/24/06)]
- Contains a non-code provision granting retroactive validation of a property tax exemption for the Madame Walker Theater for pay 2005. [Effective upon passage (3/24/06)]
- Contains a non-code stating that for 05 pay 06, a personal property tax return filed up to thirty (30) days late is considered timely filed, and any exemptions claimed are not waived by the late filing. [Effective 1/1/05]
- Contains a non-code provision raising the maximum levy for Jasper and Dubois Counties' libraries. [Effective 1/1/06]
- Contains a non-code provision allowing Aqua Indiana to claim a credit against the pay 2007 property taxes for an error made on its 2005 distributable property return. [Effective upon passage (3/24/06)]
- Contains a non-code provision allowing Middlebury Township, Elkhart County, to seek a maximum levy increase to cover costs of emergency medical services. [Effective upon passage (3/24/06)]
- Contains a non-code provision requiring the DLGF to develop a recommendation to the legislative council to adjust maximum permissible levies for property taxes first due and payable after 2007. [Effective upon passage (3/24/06)]
- Contains a non-code provision that allows DLGF to adopt temporary rules to implement the investment deduction found in IC 6-1.1-12.4. [Effective upon passage (3/24/06)]

SEA 345 (P.L. 159-2006)

- Amended IC 6-1.1-21-10 to change the schedule for PTRC distribution from six (6) monthly distributions to seven (7) variable percentage monthly distributions annually. [Effective 1/1/07]

SEA 354 (P.L. 66-2006)

- Amended IC 6-1.1-6-1 to add “other land” and “wildlands” that may be classified as forest land. [Effective 7/1/06]
- Amended IC 6-1.1-6-2 to add language that requires a forest plantation to have at least four hundred (400) timber producing trees per acre. [Effective 7/1/06]
- Added IC 6-1.1-6-2.5 to create “wildlands” as a new category of classified forest land. Wildlands must contain one or more of the following
 - 1) Grasslands that are dominated by native grasses
 - 2) Wetlands that support a prevalence of native vegetation
 - 3) Early forest successional stands
 - 4) Other lands DNR determines is capable of supporting wildlife
 - 5) A body of water[Effective 7/1/06]
- Amended IC 6-1.1-6-3 to require classified native forest land to have at least one thousand (1000) timber producing trees per acre. Formerly required four hundred (400) trees per acre. [Effective 7/1/06]
- Amended IC 6-1.1-6-3.5 to clarify areas within classified forest land that are eligible for classification. [Effective 7/1/06]
- Amended IC 6-1.1-6-5 to add “wildlands” to the requirement that the classified parcel must contain at least ten (10) contiguous acres. [Effective 7/1/06]
- Amended IC 6-1.1-6-5.5 to allow a taxpayer to file a revised application for classification. Adds reference to “wildlands”. [Effective 7/1/06]
- Amended IC 6-1.1-6-6 to add “wildlands” to the requirement that the classified parcel may not have an improvement situated on it. [Effective 7/1/06]
- Amended IC 6-1.1-6-7 to add “wildlands” to the requirement that the classified parcel may not have grazing or confined non-domestic animals on it. [Effective 7/1/06]
- Amended IC 6-1.1-6-9 to allow the natural resources commission to adopt rules allowing a taxpayer to submit other means of describing and platting a parcel other than a registered land survey. [Effective 7/1/06]
- Amended IC 6-1.1-6-10 to correct the spelling of “assessor” (sic) to “assessor”. [Effective 7/1/06] – *This section is also **repealed** in this bill.*
- Amended IC 6-1.1-6-11 to include “wildlands” in the application process. [Effective 7/1/06]
- Amended IC 6-1.1-6-13 to make minor technical changes. [Effective 7/1/06]
- Amended IC 6-1.1-6-14, 15, 16, 18, 19, 21, and 23 to add the term “wildlands”. [Effective 7/1/06]
- Amends IC 6-1.1-6-20 to add provision allowing a retroactive revised application. [Effective 7/1/06]
- Amended IC 6-1.1-6-24 to add a penalty for withdrawal of land from classification after 6/30/06 in an amount of one hundred dollars (\$100) per withdrawal plus fifty dollars (\$50) per acre (unless DNR establishes a different amount by rule). Seventy-five percent (75%) of this new penalty is transferred to the forest restoration fund and twenty-five percent (25%) goes into the county general fund. This penalty is in addition to back taxes and the ten percent (10%) interest already in the statute. [Effective 7/1/06]

- Amended IC 6-1.1-6-25 to require the owner splitting a classified parcel to file new, separate applications for each parcel. Also requires the owner to disclose to a potential purchaser that the land is enrolled in a classified land program and the potential tax liabilities. [Effective 7/1/06]
- Amended IC 6-1.1-6-27 and IC 6-1.1-6.2-15 to add wildlands. [Effective 7/1/06]
- Amended IC 14-23-4-2 to redefine “merchantable timber”. [Effective 7/1/06]
- Contains a non-code provision **repealing** the following:
 - IC 6-1.1-6-10 = Assessment required
 - IC 6-1.1-6-22 = Withdrawal of application; appeals
 - IC 6-1.1-6-6.5 = Assessment of certain wildlife habitats
 - IC 14-36-1-36 = Land not classified as native forest land or forest plantations
 [Effective 7/1/06]
- Contains a non-code provision clarifying that the penalty under IC 6-1.1-6-24(a)(3) does not apply until 7/1/06. See penalty wording above. [Effective 7/1/06]
- Contains a non-code provision reclassifying land classified as “wildlife habitat” under IC 6-1.1-6.5 (repealed) to “wildlands” under IC 6-1.1-6. [Effective upon passage (3/17/06)]

SEA 355 (P.L. 67-2006)

- Amended IC 6-1.1-1-8 to add IC 6-1.1-37-10.7 to the definition of “general assessment provisions”. [Effective 7/1/06]
- Amended IC 6-1.1-18.5-12 to specify that a civil taxing unit that determines that it cannot carry out its governmental functions for the ensuing calendar may appeal before September 20 of the calendar year immediately preceding the ensuing calendar year. Allows a shortfall appeal to be filed (1) before December 31, or (2) before March 1 with the approval of the county fiscal body. Requires the fiscal officer of the appealing civil taxing unit to file a copy of the appeal petition with the county auditor and treasurer. [Effective upon passage (3/17/06)]
- Amended IC 6-1.1-19-2 to specify that a school corporation must file an appeal for emergency financial relief with the DLGF for the ensuing calendar before September 20 of the calendar year immediately preceding the ensuing calendar year. Allows a shortfall appeal to be filed (1) before December 31, or (2) before March 1 with the approval of the county fiscal body. Requires the fiscal officer of the appealing school corporation to file a copy of the appeal petition with the county auditor and treasurer. [Effective upon passage (3/17/06)]
- Amended IC 6-1.1-21-2 to eliminate “on or before March 1” from the definition of the “Auditor’s abstract”. Corrected the definition of “Total county tax levy” to change the statutory cite for library capital project funds and art association funds. Eliminated “on or before March 1” from the definition of “Tax duplicate”. [Effective upon passage (3/17/06)]
- Amended IC 6-1.1-22-3 to add language requiring a county auditor who receives a copy of an appeal petition for levy relief or emergency financial relief filed with the DLGF to postpone preparation of the *tax duplicate* until the appeal is resolved. If the *tax duplicate* has been prepared prior to receipt of the copy of

the appeal, the county auditor must prepare a revised *tax duplicate* after the appeal is resolved. [Effective upon passage (3/17/06)]

- Amended IC 6-1.1-22-5 to add language requiring a county auditor who receives a copy of an appeal petition for levy relief or emergency financial relief filed with the DLGF to postpone preparing and filing of the *abstract* until the appeal is resolved. If the *abstract* has been prepared prior to receipt of the copy of the appeal, the county auditor must prepare a revised *abstract* after the appeal is resolved. [Effective upon passage (3/17/06)]
- Amended IC 6-1.1-22-9 allowing a county treasurer who receives a copy of an appeal petition for levy relief or emergency financial relief filed with the DLGF prior to mailing of tax statements to either:
 - 1) Mail the tax statements without regard to the pendency of the appeal and, if the resolution of the appeal results in changes levies, mail reconciling statements; or
 - 2) Delay the mailing of the tax statements so that
 - a) The due date of the first installment is delayed not more than sixty (60) days past May 10 and
 - b) All statements reflect any changes in levies that result from the resolution of the appeal

The reconciling statements referred to in 1) above must indicate:

- a) The total amount due for the year
 - b) The total amount of the installments paid to date
 - c) Any additional payments due from the taxpayer
 - d) Any refunds due to the taxpayer
- [Effective upon passage (3/17/06)]
- Amended IC 6-1.1-22-9.5 to specify only the county fiscal body has to approve a petition to the DLGF to modify property tax payment dates. Eliminated the requirement that the county auditor and treasurer must also approve the petition. [Effective upon passage (3/17/06)]
 - Amended IC 6-1.1-22.5-6 to prohibit provisional property tax statements from being used if the county auditor fails to deliver the abstract due to a levy appeal pending before DLGF. [Effective upon passage (3/17/06)]
 - Amended IC 6-1.1-37-9 to clarify wording regarding interest charged when a change of assessment is made or increased after the property taxes were due. [Effective 7/1/06]
 - Amended IC 6-1.1-37-10 to change the late payment penalty to five percent (5%) in cases where the delinquent payment is made within thirty (30) days of the original due date and there are no delinquencies from a prior year on the same property. Penalty remains at 10% for all others. [Effective 1/1/07]
 - Added IC 6-1.1-37-10.7 to allow an “immediate family member of the taxpayer” to petition the county treasurer for a waiver of a late payment penalty for a taxpayer who passed away within seven (7) days of a payment due date. Requires the county treasurer to act on the petition within 30 days after filing. Allows an appeal of the treasurer’s decision on the petition to the IBTR. [Effective 7/1/06]

- Amended IC 14-33-10-3 to apply the 5% interest rate as applies to unpaid property taxes to unpaid assessments for a conservancy district. [Effective 1/1/07]
- Amended IC 36-9-37-19 to apply the 5% interest rate as applies to unpaid property taxes to unpaid municipal water utility assessments. [Effective 1/1/07]
- Contains a non-code provision that allows delayed property tax payments made in 2005 for assessment years 2002, 2003, and 2004, to be deducted from adjusted gross income for the purposes of the state income tax. [Effective 1/1/06]

House Enrolled Acts (HEA)

HEA 1001 (P.L. 162-2006)

- Amended IC 6-1.1-12-37 to increase the maximum limit on the standard deduction to \$45,000 for assessment year 2006 pay 2007. Returns to \$35,000 for assessment year 2007 pay 2008 and future years. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-15-1 to alter filing deadlines for a taxpayer appealing to the county PTABOA. [Effective 7/1/06]
- Amended IC 6-1.1-17-3 to require, beginning in 2009, a political subdivision to complete its budget, tax levy, and proposed tax rate, and to publish and report this information to the county auditor before August 10 of the calendar year. Also requires the county auditor to send a notice to each taxpayer by August 10 outlining the current year's assessed value, property tax liability to each political subdivision, comparative property tax information for each political subdivision, and the date of the public hearing on each political subdivision's budget, rate, and levy. [Effective 7/1/06]
- Amended IC 6-1.1-21-3 to require DLGF to make the certifications of eligible property tax replacement amount and homestead credits to the department of revenue based on the best information available at the time the certification is made. [Effective 1/1/06]
- Amended IC 6-1.1-20-10 to prohibit a political subdivision from compelling an employee or student to promote a position on a petition or remonstrance on a bond or lease. Prohibits the staff and employees of a school corporation from identifying a student as the child of a parent/guardian who has taken a position on the petition or remonstrance. Prohibits a person or organization that has a contract, or formal or informal arrangement with a school corporation, to spend monies to promote a position on the petition. Prohibits an attorney, architect, construction manager, or a financial advisor with respect to a controlled project to spend monies to promote a position on the petition. [Effective upon passage (3/24/06)]
- Added IC 6-1.1-20-11 to establish test for the validity of a signature on a document required for a petition and remonstrance procedure. [Effective 7/1/06]
- Amended IC 6-1.1-20.6-4 to make the definition of "qualified residential property" (apartment complex, homestead, and residential rental property) also apply to new IC 6-1.1-20.6-6.5 (see below). [Effective upon passage (3/24/06)]

- Amended IC 6-1.1-20.6-6 to allow the county fiscal body to establish an excessive residential property tax credit for taxes due and payable before 1/1/07 for Lake County and for taxes due and payable before 1/1/08 for all other counties. [Effective upon passage (3/24/06)]
- Added IC 6-1.1-20.6-6.5 to extend the 2% excessive property tax credit. Applies to all qualified residential property statewide for taxes first due and payable after 12/31/07 but before 1/1/10. Applies to all real and personal property for taxes first due and payable after 12/31/09. Mandates that Lake County shall start the credit for qualified residential property a year earlier but the county fiscal body may limit the credit, by ordinance, to homesteads. [Effective 7/1/06]
- Added a subsection to IC 6-1.1-20.6-7 to set the excessive property tax credit at 2% of gross assessed value for all real *and personal property* for taxes first due and payable after 12/31/09. [Effective upon passage (3/24/06)]
- Amended IC 6-1.1-20.6-8 to not require any real or personal property owner to apply for the excessive property tax credit. [Effective upon passage (3/24/06)]
- Added a subsection to IC 6-1.1-20.6-9 to require the county auditor to notify each political subdivision in which the credit under this chapter is applied of the reduction for the political subdivision. [Effective upon passage (3/24/06)]
- Added IC 6-1.1-20.6-9.5 to outline how the excessive property tax credit will be applied to affect the reduction of collections of each political subdivision. Prohibits a political subdivision from increasing its property tax levy or borrowing money to compensate for the reduction. [Effective 7/1/06]
- Amended IC 6-1.1-20.9-2 to increase the homestead credit to 28% in 2006 and return it to 20% in 2007 and thereafter. [Effective 1/1/06]
- Amended IC 6-1.1-22-8 to expire 1/1/08. [Effective 7/1/06]
- Added IC 6-1.1-22-8.1 to replace IC 6-1.1-22-8 upon its expiration. Requires the county treasurer to mail a tax bill in the form prescribed by the DLGF. The form must include at least the following:
 - Current and delinquent taxes and special assessments
 - Breakdown of the amount to be distributed to each taxing unit
 - Itemized listing for each property tax levy to include:
 - Amount of the tax rate
 - Entity levying the tax owed
 - Dollar amount of the tax owed
 - Information on how the taxes are to be used
 - Comparison showing any change in assessed value for the property since previous year
 - Comparison showing any change in taxes from the previous year. This comparison must identify:
 - Amount distributable to each taxing unit for the current and previous years.
 - Percentage change in taxes to each taxing unit between the current and previous years.
 - An explanation of the following:
 - Homestead credit and all property tax deductions.

- Procedure and deadline for filing for the homestead credit and each deduction.
 - Procedure a taxpayer must follow to appeal a current assessment or petition for a correction of error.
- Forms that must be filed for an appeal or petition.
- A checklist that shows:
 - Homestead credit and all property tax deductions.
 - Whether the homestead credit and each property tax deduction applies on the current bill.
 [Effective 7/1/06]
- Added IC 6-3.5-1.1-2.3 to allow the Jasper County council the option to adopt an additional CAGIT rate of up to 0.25% to:
 - finance, construct, acquire, improve, renovate or equip:
 - Jail facilities;
 - Juvenile court, detention and probation facilities; and
 - Related buildings and parking facilities;
 located in the county, including costs related to the demolition of existing buildings and the acquisition of land; and
 - repay bonds or leases entered into for such purposes.
- Added IC 6-3.5-6-29 to allow the Scott County council the option to adopt an additional COIT rate of up to 0.25% to fund:
 - Financing, construction, acquisition, improvement, renovation, equipping, operation or maintenance of jail facilities; and
 - The repayment of bonds issued or leases entered into for the purposes described in this chapter.
- Amends IC 6-3.5-7-5 to set the maximum county option income tax and county economic development income tax rates for Scott County to not exceed 1.25% and the maximum county economic development income tax rate and the county adjusted gross income tax rate for Jasper County not to exceed 1.5%. [Effective upon passage (3/24/06)]
- Amended IC 6-3.5-7-26 to provide that residential property tax replacement credits, in addition to homestead credits, may be paid from increased county economic development income taxes to offset the loss of property taxes from the inventory deduction. [Effective upon passage (3/24/06)]
- Added IC 6-9-39 to create a county option dog tax not to exceed \$5.00 per taxable dog. 20% of optional dog tax is sent to the state for canine research and education and the remaining 80% is retained by the county for various specified uses related to animal care. [Effective 7/1/06]
- Amended IC 15-5-7-1 to eliminate the triple damages award paid by owners of unlicensed dogs. [Effective 7/1/06]
- Added IC 15-5-7-3 to require the county to pay the damages caused by attack or exposure by dogs to livestock and for post exposure treatment incurred by any person who is bitten by or exposed to a dog known to have rabies. [Effective 7/1/06]

- Added IC 6-15-5-7-4 to outline the filing of a claim against a county under IC 15-5-7-3 [Effective 7/1/06]
- Amended IC 20-45-1-21 to change the definition of “total assessed value” for the purposes of the school adjustment factor used in the distribution of tuition support payments to schools. [Effective 7/1/06]
- Amended IC 20-45-3-6 to clarify a school corporation’s target property tax rate used in the distribution tuition support payments to schools. [Effective 7/1/06]
- Amended IC 36-6-5-3 to remove from assessment duties the administration of the dog tax. [Effective 7/1/06]
- **Repealed** IC 15-5-9 and 10 that allowed for the imposition of a dog tax and the treatment of dogs as personal property. [Effective 7/1/06]
- Contains a non-code provision that allows a county to adopt an ordinance allowing for a credit for excessive residential property taxes for property taxes first due and payable in 2006 if tax statements for 2006 have not yet been issued. Section expires 1/1/07. [Effective upon passage (3/24/06)]
- Contains a non-code provision that distributes money remaining in the state dog account on 6/30/06 on a prorated basis of 50% to Purdue University School of Veterinary Science and Medicine and 50% to counties that paid the state from the counties’ dog funds. Specifies how the counties’ share of the distribution may be spent. [Effective 7/1/06]
- Contains a non-code provision defining the “additional 2006 homestead credit” is the part of the homestead credit that exceeds twenty percent (20%). Also states the definitions contained in IC 6-1.1-1, 20.9, and 21 apply to the application of this credit. Additionally gives instructions to the county auditor as to how to administer the credit. [Effective upon passage (3/24/06)]

HEA 1089 (P.L. 71-2006)

- Amended IC 36-4-3-4.1 to allow a town having a population of more than fifteen thousand (15,000) or a town with a population more than five thousand (5,000) but less than (6,300) in a county with a total population of more than one hundred thousand (100,000) but less than one hundred five thousand (105,000) to exempt newly annexed, contiguous, agriculturally zoned property from municipal property taxes if the ordinance is adopted before 6/30/06. If adopted after 6/30/06, limits the exemption to ten (10) years. Requires the consent of the property owner to change zoning classification. [Effective 7/1/06]

HEA 1102 (P.L. 169-2006)

- Amended IC 5-3-1-0.4 to expand the definition of a “newspaper” that can be used for publication of notices. [Effective upon passage (3/24/06)]
- Amended IC 5-3-1-2.3 to specify that a tax adjustment board chart or DLGF budget order published by the county auditor in accordance with this chapter is valid even if it contains an error. Allows the DLGF to correct an error or omission in the publication. Requires the county auditor to publish a correction, at the county’s expense. [Effective 7/1/06]
- Amended IC 6-1.1-12.4-3 to clarify that facilities listed under IC 6-1.1-12.1-3(3) do not qualify for an investment deduction. [Effective 1/1/06]

- Amended IC 6-1.1-17-5 to require a municipality to set its budget, tax rate, and tax levy by September 30 each year. [Effective 7/1/06]
- Amended IC 6-1.1-17-16 to allow the DLGF to correct the budget, tax rate, or tax levy if it was incorrectly published or omitted in the publication by the county auditor. Allows a political subdivision two weeks, instead of one, to respond to the DLGF's proposal to change a tax rate or levy. [Effective 7/1/06]
- Amended IC 6-1.1-22-8 to allow the county treasurer to include on the tax bill the dollar amount of each special assessment owed. [Effective 1/1/07]
- Amended IC 6-1.1-22-11 to increase the interest paid a property tax lien holder to ten percent (10%) from six percent (6%). [Effective 1/1/07]
- Added IC 6-1.1-22-13.5 to specify that a political subdivision acquires a lien on real property for all special assessments levied and all subsequent costs and penalties resulting from the special assessments. The lien attaches on the installment due date of the year for which the special assessments are certified. The lien is not affected by any sale or transfer of the real property. The lien is superior to all other liens except property taxes. A political subdivision may sue for settlement of the lien. [Effective 1/1/07]
- Amended IC 6-1.1-24-1 to require the county treasurer to certify a list of real property delinquencies to the county auditor on or before July 1 or fifty-one (51) days after the tax payment due date. In the case of real property that is vacant or abandoned, the county executive must certify that fact to the county auditor not later than sixty-one (61) days before the earliest date on which application for judgment and order for sale may be made. [Effective 1/1/07]
- Amended IC 6-1.1-24-1.5 to require that the county executive, instead of the metropolitan development commission, prepare a list of properties that are vacant or abandoned and certify the list to the county auditor. [Effective 1/1/07]
- Amended IC 6-1.1-24-2 to allow the county treasurer to add to the statement of minimum sale price for delinquent assessments or taxes a charge equal to the greater of twenty-five dollars (\$25.00) or actual postage and publications costs. [Effective 1/1/07]
- Amended IC 6-1.1-24-2.2 to remove the provision allowing the filing of an affidavit by the owner of vacant or abandoned property to remove it from the tax sale because it is inhabitable under law. [Effective 1/1/07]
- Amended IC 6-1.1-24-3 to add notices mailed under this section and advertisement made under this chapter are considered sufficient notice of the intended application for judgment and of the sale of real property under the order of the court. [Effective 1/1/07]
- Amended IC 6-1.1-24-4(b) to apply state-wide instead of just to a county having a consolidated city. [Effective 1/1/07]
- Amended IC 6-1.1-24-4.6 to add wording to the county auditor's affidavit swearing that notice for application for judgment and order for sale was mailed by certified mail to the owners on the list. Requires the county auditor to enter the name of at least one owner of each tract of real property, the dates of publications, and the mailing dates of the notices to the list attached to the affidavit. [Effective 1/1/07]

- Amended IC 6-1.1-24-4.7 to require the final listing of the judgment and order for sale to contain the name of at least one of the owners of each tract of real property. [Effective 1/1/07]
- Amended IC 6-1.1-24-5 to require the tax sale of real property not extend beyond one hundred seventy-one (171) days after the list containing the tract of real property is certified to the county auditor. Also requires that abandoned and vacant property that has been certified by the county executive must be sold in a different phase or on a different day than other real property. [Effective 1/1/07]
- Amended IC 6-1.1-24-5.3 to prohibit a person who has a specified interest in real property listed for sale at a tax sale or has delinquent taxes, special assessments, and penalties in the county of the tax sale or their agent from purchasing a real property tract at the tax sale. If the county treasurer determines not more than six (6) months after the tax sale an ineligible purchaser has purchased real property at the tax sale, the treasurer shall notify the purchaser that the sale is subject to forfeiture if the purchaser does not pay the amounts the person owes within 30 days. [Effective 1/1/07]
- Amended IC 6-1.1-24-6 to state that a real property tract that does sell at the tax sale the first time it is offered for at least the minimum bid, will have a lien acquired by the county executive. The county auditor issues a tax sale certificate to the county executive who has the same rights as a purchaser. [Effective 1/1/07]
- Amended IC 6-1.1-24-6.1 to allow the county executive to offer to the public the certificates of sale acquired under IC 6-1.1-24-6 [Effective 1/1/07]
- Amended IC 6-1.1-24-6.7 to allow the county executive to transfer real property acquired under IC 6-1.1-24-6 to a nonprofit corporation. [Effective 1/1/07]
- Amended IC 6-1.1-25-3 to state that when real property is redeemed that was sold under IC 6-1.1-24-6.1, the county auditor will issue to the purchaser of the certificate a sale the amount received for redemption minus an amount equal to the difference between the minimum bid and the amount for which the certificate sold. [Effective 1/1/07]
- Amended IC 6-1.1-25-4 to clarify the periods of redemption for real property. Also clarifies the powers of the county executive who has been issued a tax deed. [Effective 1/1/07]
- Amended IC 6-1.1-25-4.5 to clarify eligibility to obtain a tax deed to real property. [Effective 1/1/07]
- Amended IC 6-1.1-25-4.6 to add the county executive to the list of persons who may give notice of filing of a petition for tax deed. [Effective 1/1/07]
- Amended IC 6-1.1-25-9 granting the right of the county executive to dispose of real property for which the county has obtained a tax deed. Allows the county executive to hold such real property not served by a redevelopment commission for sale at a later date. Allows the county executive to rehabilitate or rent the property while it is being held and to enter into contracts to carry out these functions. [Effective 1/1/07]
- Amended IC 12-20-21-2 to clarify that township assistance money may not be commingled. [Effective 7/1/06]

- Amended IC 12-20-24-1 to clarify the township trustee must appeal to the DLGF for the right to borrow money on a short term basis to fund township assistance services in the township. [Effective 7/1/06]
- Amended IC 12-20-24-5 to address the decision of the DLGF for appeals brought under IC 12-20-24-1. [Effective 7/1/06]
- Amended IC 12-20-24-6 to allow the county commissioners or county council to only approve the repayment periods on loans approved under IC 12-2-4.5 or 12-20-24 for loans they approved prior to 6/30/06. [Effective 7/1/06]
- Amended IC 12-20-24-7 to specify reasons why the county commissioners or council or DLGF may not approve a loan under IC 12-2-4.5 or 12-20-24. [Effective 7/1/06]
- Amended IC 12-20-24-8 to specify the approval time frames for permission to borrow money under this chapter. [Effective 7/1/06]
- Amended IC 12-20-25-30 to change the applicable cite for the control board's supervision of the township trustee's administration of assistance loan from IC 12-20-23 to IC 12-20-24. [Effective 7/1/06]
- Amended IC 12-20-25-40 to allow loans made under IC 12-20-23 to be repaid after its repeal. [Effective 7/1/06]
- Amended IC 12-20-25-42 to allow loans made under IC 12-20-23-15 and 19 to be repaid after their repeal. [Effective 7/1/06]
- Amended IC 36-1-8-5 to allow political subdivisions to transfer money into their rainy day fund at any time during the fiscal year. [Effective upon passage (3/24/06)]
- Added IC 36-1-8-16 to require that the first year's property taxes collected on real property disposed of by a county executive to be disbursed to the county executive for deposit in the county general fund, the redevelopment fund, the unsafe building fund, or the housing trust fund. [Effective 7/1/06]
- Amended IC 36-4-7-3 to require compensation of each appointed officer, deputy and other employees of the city must be fixed not alter than September 30 of each year. Allows compensation to be increased or decreased by the city executive. [Effective 7/1/06]
- Amended IC 36-4-7-11 to specify that if a city legislative body does not pass a budget and levy ordinance before October 1 of each year, the most recent annual appropriations and tax levy are continued for the ensuing budget year. [Effective 7/1/06]
- Amended IC 36-6-6-10 to read in a year in which there is not an election of members to the township legislative body, the township legislative body may, by unanimous vote, reduce the salaries of the township legislative body by any amount. [Effective 7/1/06]
- Amended IC 36-7-14-22.5 to allow a redevelopment commission that acquired real property the right to dispose of real property not needed for a redevelopment activity. Allows the commission to hold such real property for sale at a later date. Allows the commission to rehabilitate or rent the property while it is being held and to enter into contracts to carry out these functions. Allows the commission to extinguish all delinquent taxes, special assessments, and penalties. [Effective 7/1/06]

- Amended IC 36-7-17-3 to eliminate the provision that allowed the agency responsible for regulating property to acquire property for urban homesteading or redevelopment purposes. [Effective 7/1/06]
- Amended IC 36-8-3-3 to require the annual setting of compensation for police and fire departments and other appointees to be fixed by ordinance of the legislative body not later than September 30 of each year for the ensuing budget year. [Effective 7/1/06]
- Added IC 36-9-39.1 to allow a municipality to create a sewer improvement and extension fund and finance it through special assessments. [Effective 7/1/06]
- Contains a non-code provision **repealing** the following [Effective 1/1/07]:
 - IC 6-1.1-24-4.1 = County having a consolidated city; metropolitan development commission list; affidavit of owner
 - IC 6-1.1-24-5.5 = Second offer for sale of property
 - IC 6-1.1-24-6.5 = Distribution of proceeds of sale of certificates of sale; tax sale surplus fund; county auditor duty on assignment of certificate
- Contains a non-code provision **repealing** the following [Effective 7/1/06]
 - IC 12-20-21-4 = Insufficient funds; county general fund appropriation
 - IC 12-20-23 = County Borrowing for Township Assistance
 - IC 12-20-24-2 = Transmittal of appeal; determination by county commissioners on township borrowing for assistance
 - IC 12-20-24-3 = Decision of county commissioners; further determination by county council on township borrowing for assistance
 - IC 12-20-24-4 = Decision of county council; notification of township board; appeal to department on township borrowing for assistance

HEA 1124 (P.L. 114-2006)

- Added IC 6-1.1-18.5-21 to allow a civil taxing unit to determine the property tax levy limits imposed do not apply to all or part of levies imposed to repay a rainy day loan. [Effective upon passage (3/20/06)]
- Added IC 6-1.1-19-13 to allow a school corporation to determine the property tax levy limits imposed do not apply to all or part of levies imposed to repay a rainy day loan. [Effective upon passage (3/20/06)]
- Added IC 6-1.1-21.9 to establish a loan from the state rainy day fund to a taxing unit whose property tax collections are affected by the bankruptcy of a taxpayer that manufactures microelectronics. [Effective upon passage (3/20/06)]

HEA 1156 (P.L. 80-2006)

- Amended IC 6-1.1-18.5-13 to list the “costs of operating a court” for the purpose of a civil taxing unit’s appeal for relief from levy limitations due to a new court. [Effective upon passage (3/17/06)] Applies to property taxes first due and payable after 12/31/06.

HEA 1327 (P.L. 184-2006)

- Added IC 6-3.5-6-29 Scott County to use COIT revenue to construct, acquire, improve, equip, operate or maintain jail facilities. [Effective upon passage (3/24/06)]
- Amended IC 21-2-21-1.8 to allow school corporations until 7/1/06 to petition the DLGF requesting approval to incur bonded indebtedness for the purpose of buying out employees' contractual retirement or severance liabilities. [Effective upon passage (3/24/06)]

HEA 1362 (P.L. 186-2006)

- Broadened definition of "clerk", "fiscal body", and "legislative body" under IC 36-1-2-4, 36-1-2-6, and 36-1-2-9, respectively. [Effective upon passage (3/24/06)]
- Added IC 36-1.5-1-1 evidencing intent to grant broad powers to enable political subdivisions to operate more efficiently by reorganizing and cooperating. [Effective upon passage (3/24/06)]
- Added IC 36-1.5-1-2, -3, -4, and -5 which state that the complete authority for reorganization, cooperation, and transfer of duties between units is contained in IC 36-1.5. No law, procedure, proceedings, publications, notices, consents, approvals, or acts outside of IC 36-1.5 are required for reorganization, cooperation, or transfer. [Effective upon passage (3/24/06)]
- Added IC 36-1.5-1-7 which states that IC 36-1.5 does not prohibit reorganization, cooperation, or transfer of duties under any other statute. [Effective upon passage (3/24/06)]
- Added IC 36-1.5-3 which requires submission of any ordinance or resolution to DLGF. Requires DLGF to adjust the maximum permissible levies, rates, and budgets of reorganizing subdivisions. Allows judicial review of DLGF determinations under this chapter. [Effective upon passage (3/24/06)]
- Added IC 36-1.5-4 which provides procedure for reorganization by referendum. [Effective upon passage (3/24/06)]
- Added IC 36-1.5-5 which provides procedure for cooperative agreements and transfer of responsibilities. [Effective upon passage (3/24/06)]